

With consumers expected to spend upwards of \$2 billion online this Cyber Monday, Rep. Peter Welch is calling on Congress to pass his legislation to level the playing field between Main Street retailers and out-of-state internet sellers during the lame duck session.

"Main Street businesses need a level playing field to compete with online businesses," said Welch. "With a record amount to be spent online today, it's simply not fair that a potential customer can walk into a downtown store, try out a product, but then buy it online without having to pay a sales tax. This legislation will be shot in the arm to Main Street businesses and downtowns, especially in rural areas like Vermont."

Welch's Main Street Fairness Act would simplify the process of collecting sales taxes on online purchases so brick-and-mortar and online retailers play by the same rules. Currently, internet retailers are only required to collect sales taxes in states where they also have a physical location. As a result, local retailers are at a competitive disadvantage because they must collect sales taxes at the point of sale while out-of-state retailers, including many large online and catalog retailers, in effect give their customers a discount by collecting no state or local sales taxes.

While out-of-state online retailers are currently not required to collect sales taxes, consumers are required to report sales taxes owed on online purchases on their tax returns. Welch's bill would relieve consumers of this legal burden.

The Main Street Fairness Act is cosponsored with Welch in the House by Rep. John Conyers (D-Mich.). Sen. Dick Durbin (D-Ill.) has introduced the legislation in the Senate. The bill is supported by Amazon.com, the National Governors' Association (NGA), National Conference on State Legislatures (NCSL), Governing Board of the Streamlined Sales and Use Tax Agreement, National Retail Federation, International Council of Shopping Centers, Retail Industry Leaders Association, National Association of Real Estate Investment Trusts, and National Association of College Stores.

Adobe Systems estimates that online sales will grow by 18 percent this Cyber Monday to as much as \$2 billion. On Black Friday, online sales increased by 26 percent while brick-and-mortar sales decreased by 1.8 percent, according to Reuters.